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PREPARATORY COMMITTEE FOR THE
FIFTIETH ANNIVERSARY OF THE
UNITED NATIONS
Fourteenth meeting
14 June 1994

INFORMATION NOTE BY THE SECRETARIAT

United Nations Fiftieth Anniversary Coin Programme

1. At the 13th meeting of the Preparatory Committee on 19 May 1994, the representative of the United Kingdom introduced to the Committee for consideration a proposal from the British Royal Mint. An accompanying draft resolution was circulated informally at the meeting. Following requests for clarification on specific issues, the Chairman asked that the Secretariat prepare a background note for consideration along with the draft resolution at the next meeting of the Preparatory Committee, to be held on 14 June 1994. The present note is prepared in response to that request.

2. It should be noted at the outset that the Fiftieth Anniversary secretariat welcomes this proposal, the proceeds of which will benefit the Trust Fund for the Fiftieth Anniversary. Such a programme would provide opportunities to communicate messages about the United Nations, revenue to support educational and communications activities about the work of the United Nations, and suitable lasting mementos of this historic occasion.

3. The secretariat has examined the proposal of the British Royal Mint for a UN50 Coin Programme. The proposed Programme addresses all of the objectives listed above. Further, it preserves the option of each Member State to decide whether or not to participate. The proposed programme also recognizes and works within the existing mint relationship of each Member State.

4. A commemorative coin usually is issued for sale to collectors in a special edition on highly polished metal ("proof condition") or, at least, using the best quality coins selected from the overall mintage ("brilliant uncirculated condition"). This would apply for any 1995 coins Member States decide to issue in honour of the United Nations.

5. Under the proposal of the British Royal Mint, participating Member States issuing coins honouring the United Nations Fiftieth Anniversary would agree to donate a royalty to the Trust Fund for the Fiftieth Anniversary Celebration

(UN50 Trust Fund) only on each special "proof" or "uncirculated" condition coin sold to collectors. No royalty would be paid on UN50 coins produced for general circulation as currency at their nominal "face value". Since the collectible coins are sold for a substantial premium above their cost of production or their nominal "face value" as currency, the royalty donation to the UN50 Trust Fund effectively is "paid" by the collector, with additional revenue left for the issuing Member State.

6. The production cost of coins issued for general circulation as currency would be a small fraction of their nominal face value. Many of these coins will be bought at face value and saved by citizens other than coin collectors, giving the issuing Government additional profit, called seignorage. Those profits are retained by the Member State to use as it deems appropriate.

7. The British Royal Mint's plan would enable all States to participate while retaining their existing minting and retail marketing arrangements. Each Member State may mint its own UN50 coins, or contract with any other mint to do so. While the Royal Mint is available to discuss providing minting services, this is at the sole option of each Member State.

8. The British Royal Mint's marketing proposal provides a major advantage over each Member State acting solely on its own: each participating Member State agrees reciprocally to offer the UN50 coins of other Member States. This should result in additional sales to collectors of all Member States' UN50 coins.

9. The proposal of the British Royal Mint also preserves the option of each Member State to issue a coin honouring the Anniversary and not participate in the joint marketing programme.

10. The secretariat agrees with the size and quality standards proposed by the Royal Mint (see annex). They are consistent with what the secretariat has been seeking and ensure that coins bearing the UN50 emblem all are of the highest quality sought by collectors.

11. The British Royal Mint does not seek a fee from the United Nations for the services it would provide in managing this Programme. It regularly mints coins for many Member States and would be compensated under existing arrangements with those countries for minting any Anniversary coins authorized by them. The British Royal Mint also would derive revenue from its sale of Anniversary coins to distributors and collectors. The more attractive the Programme becomes by virtue of the number of participating countries, the greater the potential sales and revenue. All participating mints would have the opportunity to generate similar revenues from mintage of Anniversary coins and their sales.

12. There is very little time remaining for an Anniversary Coin Programme to be implemented. Because of lead times required for authorization, design and production of coins, implementation needs to begin almost immediately.

ANNEX

Standards for UN50 Commemorative Coins

1. The UN50 Mark to be reproduced on each coin.

2. Each coin to be legal tender.

3. Each coin to be dated "1995" or "1945-1995".

4. UN50 Commemorative Coins to be minted in gold, silver or base metals:

   (a) Gold coins not to exceed 31.1035 grams in weight and 45 mm in diameter;

   (b) Silver coins not to exceed 35 grams in weight and 45 mm in diameter;

   (c) Base metal coins not to exceed 45 mm in diameter.

5. UN50 Commemorative Coins in proof condition for collectors to be minted to the following quality specifications:

   (a) Coins of Proof Standard in previous metal to exhibit face designs (with inscription), which will be frosted on a highly polished table. Differential frosting to distinguish design characteristics is acceptable. These coins to be fully struck with an overall appearance, including edge, to the highest degree of appeal;

   (b) Coins of Uncirculated Standard in base metal to exhibit face designs (with inscription) and table from natural die finish. They will have an overall appearance commensurate with the designation "fleur-de-coin", that is, the best circulation standard.

   The production method to include special care to prevent damage. These coins are to be fully struck, uniform in finish and bright in appearance.